

NEW EUROPE, Spring 1978

3

FRANÇOIS DUCHÊNE*

Europe and the Superpowers

From sheer habit, Europe's relations with the superpowers have acquired the rather narrow connotations of European military security. This was natural in the early cold war when Europe, though considered the fulcrum of the world balance, was itself so weak that its horizons were strictly regional. It is far less appropriate, even anachronistic, today. Today, Europe's relations with the superpowers are global and virtually unconfined. In 1950, say, the United States was virtually the only truly 'global' power. The Soviet Union in its northern glaxis was not, western Europe knocked out by the war was not, the Third World barely emerging from the colonial past, did not really exist as a force in its own right. Today all this has changed. The Soviet Union is a world military power almost on the American scale. The unprecedentedly long deep and widespread boom which has quintupled world production in a quarter century, has now produced phenomena of 'crowding' which express themselves in cumulative divergences of performance between industrial western powers; in the proliferation of new industrialising states as well as of nuclear capacities and conventional armaments of more and more sophisticated kinds; in the growing intensity everywhere of social demands and economic competition; and in pressures on resources from energy to the oceans and the biosphere. All these involve the United States and western Europe together, willy-nilly, in the management of the system. Relations with one or both superpowers affect western Europe in every dimension and almost at every point of the compass. At the same time Europe's own role in the calculations of the superpowers must not be under-rated. It now generates more of the world's production and trade than North America itself, so that it too, by its acts of omission or commission potentially influences world policies at a number of important points. To speak, then, of Europe's relations with the superpowers is really to deal with the very nature of western Europe's scope to act in the world now that it has lost some, but not all, of a great power's ability to define the political context.

*Director, Centre for Contemporary European Studies, University of Sussex.

Rela
frosty
been l
vented
of the
ening,
world
every
the US
of the
aims
and so
petitiv
thoug

Depre

The
it is b
growth
accor
produ
rently
sugge
medic
proba
period

Sue
It is r
to the
Unde
and
mark
beco
resig
trout
ship
Japa
was
and
suffi
ence
the
Ger
back
depr
expo
merc
ject

Relations with the superpowers have also become more ambiguous. The frosty light of cold war gave everything an exceptionally clear edge which has been lost with detente's warmer weather. Detente has not, for instance, prevented an enormous increase in the strategic and conventional military power of the Soviet Union, notably in the region where it least seems to need strengthening, in Europe itself. In quite a different vein, the coming of a crowded world introduces a new ambiguity in European-American relations too. When every American nerve was strained to strengthen Europe as a bulwark against the USSR, there was a very near identity of perceptions between the two sides of the Atlantic. Now, as the objects of policy become more diverse, so do the aims of Americans and Europeans, so that they are no longer so easily identical and sometimes, as on energy, become, at least by implication, increasingly competitive. All these changes demand a reorientation of familiar categories of thought.

Depression

The main fact about the West today is that after twenty-five years of boom it is back in depression again. This is not a traditional depression. The average growth of the OECD countries is currently about 3% p.a. But it is growth accompanied by increasing unemployment as productivity, rising even faster, produces a drift of manpower out of industry. Germany, for instance, currently needs to grow at more than 4.5% p.a. to cut into unemployment. This suggests new structural problems for which traditional categories of economic medicine are not very useful. In fact, to deal with them successfully it will probably be necessary to change society quite profoundly over a considerable period of time.

Such a reformation of social relationships is never easy at the best of times. It is made more difficult by the confusion, and loss of a sense of priorities, due to the collapse of the old economic leadership provided by the United States. Under the weight of increasing competition from reviving allies like Japan and Germany, the United States finally decided in 1971 that providing open markets and dollar credits to sustain the rest of the western economy was becoming too expensive. In ending the convertibility of the dollar it in effect resigned its postwar single-handed economic leadership of the West. The trouble is that no country can replace the United States. Its individual leadership can only be collectivised through concurrent action by America with Japan and Germany together. At first, it was assumed that the United States was economically and politically strong enough to force concurrence on Japan and Germany. The recession since 1974 has proved this is not, at least not sufficiently, the case. The Americans, as a continental power with the experience of boosting the western economy since the war, have tried to pull it out of the valley of depression by increasing domestic demand. The Japanese and Germans have followed suit too little and too late. They have preferred to hold back activity at home (though Japan's current growth of 6% p.a. or more is depression only by its own standards) and to confirm their hold on the world export market. There has been progress towards common management in the mere fact that their domestic economic policies have become a favourite subject of international controversy. Nevertheless, their attitude has remained one

addressed more to their own economic objectives than those of the system as a whole. They have not had the American sense of the global situation. This may be natural to their traditional condition as lieutenants in the system. The result has nevertheless been to provide no successor to the American economic leadership of the post war years. The West today is partly leaderless in economic policy.

In these circumstances, it is hardly surprising that protectionism is reviving on every side, particularly in Europe and America in the face of Japan and the more aggressive industrialising developing countries, themselves mostly though not exclusively East Asian. Governments, with the 1930s at the back of their minds, are acutely aware of the risks and have avoided generalised protectionism. Nevertheless selective protection is becoming more and more widespread. There is regional protection, represented notably by the European Community, as in the multi-fibre negotiations, where 'voluntary' agreements to restrain trade are forced upon the most dynamic new exporters, first and foremost the East Asians. There are government-sponsored international cartels sharing (or partly sharing) markets, as is the case of America, Europe and Japan on steel. Government subsidies are increasingly handed out to failing industries in ways particularly prominent in Britain and Italy.

To some extent, the reaction against free trade may be inevitable. As more and more industries in established economic powers have to face the rising competition of new industrial states, stretching even to recently booming industries like motor cars, there is a need, even on the most optimistic assumptions, to control the pace of domestic change. This must make governments seek to control the international economy too. That would be true even if protectionism were ultimately rejected. Nevertheless, it clearly affects all trade relations compared to the postwar period, and particularly American-European ones. It suggests the politicisation of international economic relations, as a result of greater government involvement. Political bargaining always tends to be more conflictual than quasi-automatic rules such as those which have governed trade since the war, because anything subject to political decision can be contested, and what is contested nearly always generates anger which, though possibly factitious in origin, can all too easily become real. It is significant that the single factor which has most tended to alienate American support for the European Community has, after General de Gaulle's incomparable self, been agriculture, which is a prime example of a politically organised sector of the economy. It looks as if the European Community and United States may reach a compromise in the current world trade negotiations. All the same, the danger of trade war, if anything goes wrong, is ever present.

There is also a larger potential problem. The developing countries are under intense pressures to grow, a situation which fundamentally marks off the 1970s and 1980s from the previous period of recession, the 1930s. If slow growth frustrates them or the major industrial powers, reacting defensively, try to organise commercial spheres of interest, the strains on the system could mount very rapidly. It is hard to tell whether the solidarity of Americans and Europeans as rich conservatives will bind them together more than their different outlooks, global or regional, or the situation will divide, but in either case the stakes will rise. Already today, the existence of a high degree of inter-

depende
to arbit
America
maximu

Resource

The p
energy
slow to
always,
whereas
the Uni
acquisit
missing
was the
East oil
industri
rise in
the ten

Some
commo
Energy
tion in
new on
the info
in order
circle o
of this
ensure
embarg
sumers
ever, th
on eith

The
growth
head f
domes
more
the Se
beginn
still fr
proces

The
energy
uses si
reactor
may be
in larg

dependence in the industrial world without commensurate international power to arbitrate the frictions of the system, is generating powerful divisive forces. American-European relations are becoming more difficult in an area of maximum harmony since the war.

Resources

The potential for conflict between America and Europe as a result of the energy crisis was seen at once in 1973, but the governments have been very slow to draw policy consequences from it. The United States can nearly always, though at a price, remedy its partly self-inflicted energy shortages, whereas Europe and Japan cannot. Worse, in this situation of potential shortage, the United States has changed from supplier of last resort into a rival for the acquisition of scarce resources. Until 1967, it unfailingly supplied Europe's missing energy in each Middle East crisis. Between 1970 and 1973, however, it was the sudden emergence of the United States as a major claimant on Middle East oil which gave OPEC its historic chance to turn the tables on the great industrial consumers. America's failure since then to slow down the enormous rise in domestic energy imports from the Middle East has merely confirmed the tense implicit competition with its allies for hydro-carbon resources.

Some attempts have been made to assert, and even to institutionalise, common priorities in this field. The establishment in 1974 of the International Energy Agency (IEA) to share out western (including American) oil production in case of a future embargo, and to save old forms of energy, and develop new ones, has been a prime example. Another has been the establishment of the informal Nuclear Suppliers Club, now extended to fourteen countries, in order to agree on a code of limitations on the export to an ever widening circle of nations of the means to produce nuclear weapons. But organisations of this kind create a framework for common decision-making, they do not ensure that it takes place. The IEA may be an effective deterrent to a future embargo, and in this sense has bought time for the advanced industrial consumers of oil to conserve energy and develop alternative sources. So far, however, they have signally failed to use that time to move forward convincingly on either of these two more basic approaches.

The half-hearted efforts of the Nixon and Ford administrations to limit the growth of America's energy consumption, which is twice that of Germany per head for an equivalent standard of living, were defeated by the range of domestic interests arrayed against them. President Carter has now made a more determined attempt, but his efforts have been heavily watered down by the Senate. Constraints on American energy consumption, though they are beginning to become serious, notably in the limitations on the size of cars, are still fragmentary and their reinforcement will be at best a long drawn out process. In any case, conservation is no sufficient answer.

The reaction of the Europeans, particularly the French and Germans, to the energy crisis, has been a *feuilleton* towards the fast breeder reactor. This uses sixty times more of any given amount of uranium fuel than conventional reactors do and so is very attractive if, as is often assumed, uranium supply may become almost as constrained as that of oil. But it also produces plutonium in large quantities as a by-product and so poses particularly acute problems of

proliferation, waste disposal and possibly sabotage and theft by terrorists. The policy has been highly controversial both in domestic and in international politics. At home, the ecological movement's opposition has been strengthened by failures to discuss the issues in public in both Germany and in France. Abroad, the agreements of Germany with Brazil and of France with Pakistan to offer plutonium reprocessing plants, thus giving Brazil and Pakistan the chance to acquire their own nuclear weapons, has produced sharp controversy with the United States. There seem to be at least two strands to the conflict. One is the export drive, the Germans and French having calculated that nuclear reactors are one of the main export markets of the future. The second is security of fuel supplies. One of the motives of the German-Brazil agreement was clearly to secure Brazilian uranium ore for German industry. In seeking to prevent such nuclear proliferation, President Carter based himself on studies which suggested the United States had sufficient access to uranium supplies to eschew fast breeder reactors. That is precisely what most other countries, and in particular Japan and western Europe, lack. President Carter's ostensibly global policy has thus been tailored to American perception, not the needs of America's allies. On both the American and European sides, policies to deal with the energy crisis have been tailored to short-term national priorities with very little reference to the nature of the overall problem.

East-West relations

It is a measure of how far the world has changed that the West's difficulties of recession and raw material supplies are not automatically seen as playing into Soviet hands. This could well be a western illusion, however, and there is no doubt at all that the East-West relationship is a crack, and potentially still a dominant one, running through the complexities of a painfully changing international scene. The East-West balance may seem stable within the nuclear stalemate, on closer inspection it is a cat's cradle of tightropes which could fray. Euro-Communism, defence and trade are probably the most salient features. All of them involve western European relations with the United States as well as with the Soviet Union.

*Eurocommunism** is a highly ambiguous development, suggesting uncertainty alike to East and West, and above all to the Soviet Union and the United States. What, on balance, will its effects prove to be? To some extent, there is no doubt one key dimension is the ideological retreat of Leninism. A hundred and ten years after the publication of *Das Kapital* and sixty years after Lenin's seizure of power, both of them prophesying world revolution, and at the very moment when renewed Western crisis might be thought to provide a 'historic opportunity for socialism', west European Communist parties make spectacular concessions to 'bourgeois' democratic freedoms in order to emerge from the political ghetto onto the main electoral scene. Out of the four Latin Communist parties emerging into the limelight in this way, two (Spain and Portugal) have proved to have limited electoral support despite decades of dictatorial government which was supposed to provide a culture for them,

*The author is indebted to David Bell, whose work on *The Spanish Communist Party* will shortly be published by The CCES, Sussex University.

while
support
the So
at odd
rights
ference
increas
effect
cast th
Tsarist
since 1
a histo
in pow
Atlant
the Fr
massiv
finally
Europ
birth p
will be

Author

This
the Un
neutra
of Am
Italian
could
the Eu
open
trols
capita
near t
pointe
and P
'demo
himse
party,
or a
neutra
of we
Europ
other
seriou
pean
so bas
more
down

while a third (France) is electorally stagnant well behind both its own peak support and the current electoral and possibly very temporary performance of the Socialist rival party. One of them, the Spanish party, is spectacularly at odds with Moscow. In some ways, there are in this parallels with the human rights issue. The Soviet Union revived the idea of the European Security Conference in 1965 with the idea of legitimising its rule in Eastern Europe and increasing its political and ideological impact in western Europe. The ironic effect of the Helsinki 'final act' has been to reverse the burden of proof and cast the light glaringly on Moscow's domestic denial of human rights, its Tsarist face of Socialism. Leninism has less appeal today than at any time since 1917. This loss of ideological initiative is, for a revolutionary movement, a historic defeat. If, as is quite likely, the Italian Communist party, associated in power but not monopolising it, confirms in action its acceptance of the Atlantic Alliance and of open frontiers within the Common Market, while the French party fails to control or massively influence events because of massive domestic opposition to it, the emergence of Eurocommunism may finally prove to be what it potentially seems—the re-integration of the west European Communist parties into the indigenous libertarian traditions of the birth place of western civilisation. The Byzantine authoritarianism of Russia will be shown up as a rejected graft. A phase of history will be closed.

Authoritarian control

This, no doubt, is why Moscow is alarmed. On the other hand, it is clear that the United States is too. The brief flirtation of the Carter administration with neutralism on the Italian Communist issue is already over and the continuity of American policy has been re-asserted. The participation in power of the Italian Communists is bound to create acute problems of trust in Nato and could inject a logic of conflict in it. There would be great uncertainty even for the European Community. Will the Italian Communists' commitment to an open market economy and indeed that of French Socialists survive the controls an austerity programme, an attempt to equalise incomes and the flight of capital could all impose? The basic doubt about the Communist parties is how near their internal organisation still remains to its Leninist origins. It is often pointed out that both the Italian and Spanish parties (though not the French and Portuguese) have jettisoned the total control from the top characteristic of 'democratic centralism'. It is nonetheless striking, how well Santiago Carrillo himself controls his organisation. If a well disciplined Italian Communist party, with its authoritarian factions brought to the fore once again by crisis, or a French government of the left, were to lead their countries into semi-neutralism and economic autarchy, there could well follow a serious division of western Europe and a drawing apart of the United States and its core of European support on the one hand and of the rest of western Europe on the other. The western weight in the balance with the Soviet Union would be seriously weakened. The United States would no doubt continue its European commitment, or at least the German one at the heart of it, because this is so basic to American foreign policy, but the whole relationship would become more complex and weighted down by reservations. America's tendency to downgrade European interests in the calculation of its own, not least with the

errorists. The international
hened
France.
with Pakistan
Pakistan the
controversy
the conflict
that nuclear
second is secu-
greement was
In seeking to
elf on studies
in supplies to
ountries, and
r's ostensibly
the needs of
olicies to deal
priorities with

's difficulties
en as playing
, and there is
entially still a
anging inter-
nuclear
could
most salient
h the United

ing uncertainty
d the United
tent, there is
n. A hundred
after Lenin's
d at the very
de a 'historic
s make spec-
ter to emerge
he four Latin
o (Spain and
e decades of
ire for them,

Party will shortly

Soviet Union, could be reinforced and the cohesion of Nato weakened.

These uncertainties are compounded by *Defence*. Detente has confirmed, rather than produced, a longstanding tendency in western European society towards relaxation of military effort under the pressure of a democratic culture increasingly responsive to domestic, social and economic priorities against external ones in general and military ones in particular. In contrast the British Defence White Paper of 1976 claimed that Soviet conventional military strength in central Europe since 1967 has grown by about 40%, equally divided between the five divisions stationed in Czechoslovakia since August 1968 and a whole series of detailed advances in equipment and in ground and air establishments. There are Western counters to such development. Precision-guided munitions, for instance, devalue tanks and aircraft, the very armaments where Soviet superiority in central Europe is most marked. But these changes do not seem to match the Soviet effort, and Western anxiety for the 1980's seems to be increasing. There is also the deeper question of why the Soviet Union should be behaving in this way. After the war, the Soviet Union has regularly used the vulnerability of western Europe to counter, as far as it could, the global strategic superiority of the United States. Now however, that the Soviet Union has reached strategic 'parity' with the United States, this same approach is automatically more offensive, directed at the weak hinge of Nato between western Europe and America. From this point of view, it is striking that the Soviet Union has put multiple warheads on its nuclear missile forces targetted on western Europe, which greatly out-number French and British warheads even without this development. The result is, actually or potentially, an overwhelming superiority of both conventional and nuclear Soviet forces directed specifically against western Europe, not the United States. The Soviet Union is reported in the Salt negotiation to be making strenuous efforts to obtain American agreement not to transfer cruise missiles, which might at least temporarily redress the nuclear balance, to Nato allies. If this effort succeeds, the Soviet Union would have successfully institutionalised the distinction between the United States and western Europe which could become a fissure in the Western alliance. Soviet interest in southern Africa could be fitted in a similar general strategy directed to putting pressure on western Europe. It is often said that the threat to European raw materials in southern Africa is a chimera because producers will always have to find markets in the West. This is not necessarily true as regards uranium. With producers (except in Australia) increasingly tending to conserve their uranium supplies, the restriction or loss of a further potential source could seriously constrain Europe's future economic prospects. This is a confused issue, on which the facts have not been properly established, but could easily be a costly one if the outcome went the wrong way from the western European point of view.

The *Economic* chapter of East-West relations is a compendium of their ambiguities. Trade has recently been growing very fast: recession has given the west incentives to provide eastern Europeans with credits to buy goods they could not otherwise pay for by their exports. The result is that, though the manipulation of prices tends to conceal this, both Poland and Hungary now seem to do half of their trade with the West. This alone is an important development. Whether it will last is another matter. East European countries can,

and w
of the
alread
western
Europ
when
the eas
As the
really
fragile
proble
their
motive

Europ

One

Europ

more

two o

the cr

class

for Eu

patro

petito

priori

Arab-

and m

less o

is ente

give a

pursu

group

ever-v

indust

In t

in Eur

domes

to com

in term

Europ

quire

United

scarce

lent, n

1980s

major

Sim

tries. S

and will, only pay for their imports of western plants by selling the products of these plants in what will be increasing quantities back to the West. There are already prospects of 400,000 motor cars, for instance, being sold back to western Europe by such arrangements in the mid-1980s at a time when west European industry itself looks like being in trouble. The time can be foreseen when west European barriers, national or Community-wide, may go up against the east European exporters as against the industrialising developing countries. As the going in the world economy gets rough—for instance if the energy crisis really materialises—the east European economies could be in an even more fragile position than the west European ones. This will probably be more of a problem between west and eastern Europe, which basically want to intensify their relations, than with the Soviet Union where there are more ulterior motives. It is bound nonetheless to reflect on East-West relations as a whole.

European policies

One major conclusion seems to emerge even from a cursory survey of European-superpower relations. This is that European interests are becoming more specific than they were in the days when every issue was subordinated to two over-riding problems on which the American-European consensus gave all the crucial answers: the Soviet threat and economic progress to mass middle-class standards of living. Inter-dependence has not become any less important for Europe. But the United States has stopped being simply the all powerful patron and become also, in some respects, particularly in energy, a competitor. Also though its dependence on imported oil is potentially shifting its priorities, the United States has a markedly different balance of perceptions on Arab-Israel conflict than has Europe. Further, as domestic politics tend more and more to take primacy over, and to condition, the international system, the less one can expect countries to be responsive to each others' needs. The world is entering a new stage where it is neither so certain that the United States will give a lead nor so easy for it to do so and where it is more apt to see itself as pursuing its own national interests than shaping the world context for a whole group of nations. The energy crisis and the spread of industrialisation to an ever-widening circle of new countries both affect western Europe's traditional industrial foundations.

In the face of these challenges, there is no substitute for basic long term changes in European societies themselves. To have a hope of controlling these changes domestically, which will be very difficult, western Europe will also have to try to control them as part of the international environment. It is less able to think in terms of self sufficiency than the United States, still less the Soviet Union. Europe needs cooperative international arrangements. On energy, these require to be not only with OPEC but by implication also with countries like the United States or Japan which might enter into outright competition with it for scarce resources should the 'second energy crisis' or some functional equivalent, materialise. It is even possible that without such arrangements, by the late 1980s the Europeans may regard the Americans and the Japanese as their major problems just as much as the Soviet Union or OPEC.

Similarly, if not so spectacularly, with the industrialising developing countries. Slower growth, or recession, are a bad enough prospect for these countries.

Sheer protectionism leading them to despair, could well trigger off economic and political troubles of which the international terrorism since 1968 could be a pale fore-runner. The challenge will be to devise flexible forms of international and mutual adjustment, some kind of regulation, not mere protection. Again, Europe being less self-sufficient, needs to promote such cooperation more than either superpower and should not wait on United States initiative. Western Europe, being much more vulnerable than either superpower, would henceforth be very foolish to look (as it has done traditionally and still does today) to the United States as the only promoter of its special needs.

As the more vulnerable wing of the West, Europe also has to make sure that its interests are not sacrificed in the superpower dialogue. Here again, there are elements of common interest with the United States. Because of its military vulnerability and of the age old links with eastern Europe, western Europe's natural inclination is to shift the emphasis of East-West relations, from military to economic and political fields which are safer and maximise its relative power. It must also do this in a way which does not lead to crises in which the military factor might suddenly and disastrously re-emerge. For this purpose, the European Community has the same interests as all the smaller European states, East, West and neutral, in the political restraints on military power, such as the so-called 'confidence-building measures' being discussed in Belgrade, being gradually multiplied until they really make it politically and technically more difficult for the Soviet Union to use superior force against its neighbours. To this extent, they can see eye to eye with the United States. At the same time, the Europeans have a common interest in ensuring that the Salt negotiations between the superpowers do not lead to an interdict on their having access to the kinds of nuclear weapons that may help them balance a strategic threat addressed overwhelmingly to them rather than to the United States. It may be that there is no over-riding case for acquiring such weapons, but the Europeans should also be wary of accepting self denying ordinances that hit them where their security is weakest, at the hinge between Europe and America. In exactly the same strain, they need at the political level to see that western standards, for instance those of human rights, are steadily upheld but not so vigorously that they boomerang. The West Germans were less than enchanted at the prospect of President Carter's enthusiasm for human rights upsetting the substantial concessions on human contacts they have obtained at considerable financial expense from East Germany, (20 million West German visitors have gone there since 1972, which is more than the total population of the GDR). It is only if this politico-military framework can be securely maintained that more confident and closer relations with Eastern Europe can be built up. Western Europe's interests in Eastern Europe are in many ways greater than in the Soviet Union. Building up these relations calls for a stable environment if they are not to be interrupted every few years by crises which could be more dangerous in the future than they were in the more easily controlled past.

European Community input

With such challenges, the need for an effective European Community is greater than it has ever been. The most important area will probably be the complex of issues posed by energy, international trade and the appearance of political

igger off econ-
since 1968 could
f of inter-
protection.
cooperation
States initiative.
erpower, would
ly and still does
eeds.
o make sure that
again, there are
e of its military
estern Europe's
from military to
relative power. It
rich the military
rpose, the Euro-
ean states, East,
, such as the so-
Belgrade, being
echnically more
neighbours. To
e same time, the
alt negotiations
having access to
strategic threat
states. It may be
the Euro-
hit them
and America. In
at western stan-
but not so vigor-
enchanted at the
psetting the sub-
at considerable
an visitors have
of the GDR). It
maintained that
an be built up.
s greater than in
e environment if
h could be more
olled past.

n Community is
ably be the com-
rance of political

limits to growth. Energy is perhaps the key. The Europeans, as one of the most vulnerable parties to the system, have an enormous interest in the development of some sort of planned form of international distribution and cooperation over energy. Otherwise, like the less developed countries and Eastern Europe, they may find themselves, or a number of them anyway, at the back of the queue when the going gets rough and the superpowers and the Japanese exert their different kinds of muscle. The Europeans are not likely to achieve anything of the kind unless they make a collective effort to do so. The oil exporters for their part might well welcome an agreement of this kind that gave them more stable perspectives for their own future and for that of the rest of the industrial world on which their own prosperity depends.*

The Euro-Arab dialogue is an arena in which the Arabs are already making the Europeans feel their determination to develop all sorts of industries, such as oil refineries, petrochemicals and even steel, which have hitherto been thought the natural monopoly of 'industrial' states. This raises the second major problem—the adjustments that will have to be made in Europe to accommodate new industrial powers in the system. In a climate where quite high levels of growth—certainly by the standards of the 1930s—fail to reduce and may even increase unemployment, this is clearly an immensely difficult undertaking. It will need some sort of international negotiation of industrial, and indeed social, adjustment which is more than a euphemism for unrelieved protection. This will have to combine temporary measures to prevent industrial disruption with longer term arrangements that adapt industry in established countries to new opportunities (for instance, the production of capital goods) and the loss of old areas of activity. As the location of industry is turned by OPEC into a part of international bargaining, the pressures on the Community to negotiate as one will increase. It represents about one-quarter of world trade. If its members fail to have coherent common policies, there can be no consistent international trade prospect on which Third World countries can plan. Of course, European Community policy can potentially be more effectively protectionist than those of individual member states, but the diversity of interests of the members as between massive and lesser exporters also makes it unlikely that their collective policy will be as protectionist as many, perhaps most, single national ones would be. Restrictive as the new four-year multifibre agreement, or the steel cartel with America and Japan, look like being, there is a contractual element in them implying reciprocal obligations which, given world forces, is almost certainly not sheer façade. The element of international economic planning, with mutual obligations, must be stressed as against that of mere protection and restrictions.

The prospects resulting from production agreements with East European countries suggest that much the same process may soon have to apply also in East-West relations. Much industrial action by western Europe is taking place on a Community basis, simply because anything less no longer provides a viable framework. The Community has already shown that it is a rising potential force in East-West diplomacy. This has been evident in Helsinki

*I am indebted to 'Europe's International Energy Policy' by Hanns Maull, shortly to be published by the Centre for Contemporary European Studies at Sussex University.

and Belgrade, in the development of the Portuguese revolution, and even on fish, with the Soviet Union having to cut its catch in European waters in negotiations with the European Community institutions it supposedly refuses to recognise. On defence, on the other hand, the Community has basically failed to cohere (though there may be some progress on joint arms production) and it may come to regret this. Nevertheless, even within the present limits, there are plenty of initiatives the European Community countries could and should take together. They are plainly already consulting, as they should, on the new phases of Salt and on "confidence-building measures" in Belgrade. They should work to give a more defensive character to military deployments in Europe on both sides, East and West, and generally to institutionalise restraints on force in order to give primacy to economic and political factors.

In the last resort, everything rests on internal cohesion inside the European Community itself. Perhaps the most fundamental political development of the recent recession years in the Community has been the rejection, on the whole, and despite contrary pressures, of the national autarkic economic policies proposed primarily, but not only, by the left—Socialists and Communists. This is particularly striking in view of the depressive effects on the economies of all Community members of Germany's slowness to reflate its domestic economy. This, and the tendency of industry to seek protection on a Community rather than national level, indicates the pressures for maintaining inter-dependence which, for good or ill, already exist inside Western Europe. This is perhaps the central issue. If continuing unemployment, or the Union of the Left in France or the Italian Communists, were to revive the pressures for national protection, Western Europe as a cohesive political force would probably cease to exist. If these pressures can be contained, the European Community, under the pressure of outside developments, is likely to continue growing and to become a key factor in the whole evolution of the continent.

Relations with the United States

In short, in a world where bargaining at the international level presses harder and harder on national policies, the potential value of the European Community to its members to increase their bargaining power and, paradoxically, its value to the world bargaining process as a means of mobilising the resources of a quarter of world production and trade, are likely to grow. This will inevitably involve it in the affirmation of European priorities. This in turn could mean a more tense relationship with the United States; which is the central external factor in European policies, although the record on trade where a 'partnership of equals' already exists compared, say, to energy where it does not, suggests that this need not at all be a destructive one and can actually be necessary to the balanced development of the international system. It has, however, often been assumed that the United States, as the patron of the Western system, must in the end make it impossible for Western Europe to exercise even 'civilian power'.

It is often claimed that international cooperation, based on United States leadership, is more effective than a partnership with the European Community which has great difficulty in reaching decisions or in changing them once they have been reached. Yet the difficulties the United States now has in exer-

cisi
tion
is le
esses
age,
has
Com
in E
It
defi
defe
Frat
mat
leas
com
pear
com
inte
ship
high
Uni
adv
Age
crea
field
assu
the
in E
nat
tion
rela
the
dec
rem
mit
In
ma
a n
dep
sho
it h
mo
dua
are
ha
ah
inc

cising effective leadership are striking on energy, nuclear proliferation, reflation of the German and Japanese economies and even on Nato. What one sees is less leadership than a general confusion of priorities. That may be the essence of routine politics and a sign that international bargaining, coming of age, is evolving pragmatically. Yet there is no real sign that the United States has a special power to mobilise Europe for effective action if the European Community is not allowed to do so nor that it is likely to frame common goals in European as well as in American terms.

It is also clear that action is very difficult if the Europeans fail themselves to define common goals. Does the United States in practice prevent this? In defence, this is obviously the case. Since all West European countries, even France place top priority on the security link with the United States they automatically leave no room for a European defence policy which could exist, at least in theory, as an expression of European interests within the larger common Atlantic system. Yet the United States has not prevented the European Customs Union, nor was it behind the European failure to develop common monetary policies nor has it even defined the Europeans' industrial interests which lead them to have common positions, say, on steel but not on shipbuilding. Certainly, European failures to cohere, for instance in energy or high technology industries, could be seen as a kind of historic collusion in United States leadership. Thus, Henry Kissinger, as Secretary of State, took advantage of the European vacuum to create the International Energy Agency (IEA) under American leadership. Theoretically, he was undoubtedly creating an alternative pole of development, parallel to Nato in the energy field, and reducing the future scope for united European action. But this assumes a higher degree of effectiveness than the IEA has actually shown. On the whole, the tendency, if there is one, has been towards parallel weaknesses in European integration and in Western cooperation based in both cases on national attitudes all round. Governments prefer, from bureaucratic tradition and from weakness in the face of domestic lobbies, to entertain bilateral relations with the United States in an ostensible leadership system, not because they necessarily think it more effective but because it seems to keep the decision-making where it has always been and where they prefer it should remain, in the national capitals themselves. It is apparently the least committing, and, therefore, most congenial form of international co-operation. In such conditions, the United States do not seem to have been the crucial marginal factor between European cohesion and disarray. If Europe is to play a more individual role in relations with each superpower, this will primarily depend on the political attitudes of the European states themselves. They should not continue to follow the ostensible American leader simply because it has become comfortable to do so: in changing conditions this could become most uncomfortable. An adequate European strategy requires both individuality and cohesion. There are signs this is beginning to be recognised in some areas of European Community action, but they are still fragmentary. They will have to spread if western Europe is to weather the quite fundamental challenge ahead—the erosion, at last, of the exceptional privileges conferred on it by the industrial revolution. □